

**UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:)	
)	
CABERNET HOLDINGS, LLC,)	CASE NO.: 10-50602
)	
Debtor.)	CHAPTER 11
)	
_____)	

**RESPONSE OF DAN A. BOONE IN SUPPORT OF NEWBRIDGE BANK
MOTION TO DISMISS OR CONVERT CHAPTER 11 CASE**

COMES NOW Dan A. Boone, by and through counsel of record, and hereby files this response (the "Response") in support of the Motion filed by Newbridge Bank seeking dismissal of the Debtor's chapter 11 case. In support of this Response, Mr. Boone shows as follows:

1. The Debtor, by and through Leonard Sossamon (hereafter "Mr. Sossamon"), filed a chapter 11 petition on April 1, 2009. As alleged by NewBridge Bank, Mr. Sossamon is a member of the Debtor owning 50% of the member interests.

2 Mr. Boone is a 50% member and his concurrence in the decision to file chapter 11 was not obtained by Mr. Sossamon.

3. The chapter 11 filing occurred on the last day of the upset bid period following a foreclosure by NewBridge Bank on the Debtor's major asset, a hotel in Lexington, North Carolina.

4. Prior to the filing, Mr. Boone and Mr. Sossamon tried for approximately one year to find new financing, investors or other solutions for the Debtor's inability to pay NewBridge Bank. Unfortunately, despite cooperation by NewBridge Bank for many months,

a solution acceptable to NewBridge Bank, Mr. Sossamon and Mr. Boone could not be achieved.

5. The Debtor's revenue has increased in late 2009 and 2010. Mr. Boone has diligently reviewed the projections of an expert retained by NewBridge regarding the Debtor's ability to generate revenue to service debt. Furthermore, Mr. Boone requested an independent hotel expert, Mr. Mark Beadle of Horwath International, to review the projections to provide a truly independent perspective. Mr. Beadle believes that it is highly unlikely that either new financing or confirmation of a chapter 11 plan that provides for a restructuring of the NewBridge Bank debt is possible. It is very unlikely that the Debtor could prove the feasibility required to "cram down" a Plan that either (1) restructures the NewBridge Bank debt as secured in the amount of \$5.0 million and unsecured in the amount of \$2.0 million or (2) provides for the payments required if NewBridge Bank made a section 1111(b) election.

6. If the Debtor had the ability to propose a feasible plan of reorganization within the time required by the Bankruptcy Code, Mr. Boone would support the filing. However, Mr. Boone does not support the filing of the chapter 11 for the purpose of further delaying the NewBridge foreclosure when it is owed more than \$2.0 million more than the Debtor's property is worth at this time.

7. Furthermore, Mr. Boone does not have the financial resources to support the cost of the chapter 11 case.

Respectfully submitted, this the 10th day of June.

NELSON MULLINS RILEY & SCARBOROUGH LLP

By: /s/ Terri L. Gardner
Terri L. Gardner
State Bar No. 9809
GlenLake One, Suite 200
4140 Parklake Avenue
Raleigh, North Carolina 27612
Telephone: (919) 329-3882
Telecopy: (919) 877-3799
Email: terri.gardner@nelsonmullins.com

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing **RESPONSE OF DAN A. BOONE IN SUPPORT OF NEWBRIDGE BANK MOTION TO DISMISS OR CONVERT CHAPTER 11 CASE** has been filed electronically in accordance with the Local Rules and was therefore served electronically on those entities that have properly registered for such electronic service and by depositing a copy thereof in the United States mail, postage prepaid, addressed to the parties below:

Debtor:

Cabernet Holdings, LLC
11 Union Street South
Suite 300
Concord, NC 28025

Debtor's Counsel:

Brian Hayes, Esquire
P.O. Box 444
Concord, NC 28026-0444

Bankruptcy Administrator:

Michael D. West, Esquire
Bankruptcy Administrator
P.O. Box 1828
Greensboro, NC 27402

Counsel for NewBridge Bank:

June L. Badsen, Esquire
Carruthers & Roth, P.A.
P.O. Box 540
Greensboro, NC 27402

Court Appointed Financial Analyst:

John E. Peterson, III
P.O. Box 1828
Greensboro, NC 27402

Bankr. Rule 2002 Service List

William P. Miller, Esquire
Roberson Haworth & Reese, PLLC
P.O. Box 1550
High Point, NC 27261

Bankr. Rule 2002 Service List:

Leib M. Lerner, Esquire
Alston & Bird LLP
333 S. Hope Street, 16th Floor
Los Angeles, CA 90071

This the 10th day of June, 2010.

/s/ Terri L. Gardner

Terri L. Gardner